



Government Issues and News of the Week

Federal

- [Con Edison Joins National Resiliency Partnership](#)
- [House Passes Cyber Threat Information Sharing Bills](#)
- [First Phase of the Quadrennial Energy Review Released](#)
- [2016 Appropriations Process Starts in U.S. House](#)

State

- [First Round of NY Prize Awards Announced](#)
- [Senate to Hold Hearings on Cyber Security, Cyber Terrorism](#)
- [Legislature Seeks to Extend LNG Moratorium](#)
- [Governor, Legislature Recognize Earth Day](#)

City

- [NYC Council Votes to Ban Employers from Conducting Credit Checks](#)
-

Federal

Con Edison Joins National Resiliency Partnership

On April 30, Con Edison participated in the opening meeting of the Department of Energy (DOE) Partnership for Energy Sector Climate Resilience. DOE Secretary Ernest Moniz opened the event and thanked the 17 inaugural utilities for committing to the effort.

The partnership is an initiative designed to enhance U.S. energy security by improving the resilience of energy infrastructure to extreme weather and climate change impacts. The goal is to accelerate investment in technologies, practices, and policies that will enable a resilient 21st century energy system. Under the partnership, owners and operators of energy assets plan to develop and pursue strategies to reduce climate and weather-related vulnerabilities, facilitate risk-based decision making, and pursue cost-effective strategies for a more climate-resilient U.S. energy

House Passes Cyber Threat Information Sharing Bills

Last week the U.S. House passed two cyber threat information sharing bills: H.R. 1560, Protecting Cyber Networks Act; and H.R. 1731, the National Cybersecurity Prevention Advancement Act (NCPAA). Both measures go far in addressing the utility industry's cybersecurity legislative priorities. Although the White House had some concerns with the liability protection language in both bills, in the end the President supported passage of the measures.

Both bills offer largely the same features:

- A voluntary program by which private industry can share cyberthreat information (CTI) and defensive countermeasures in real time with the government and other private sector partners;

- An automated process for the government to receive and disseminate CTI and defensive countermeasures;
- A process for sharing CTI and defensive countermeasures with government and private sector partners;
- Liability, regulatory, information disclosure, and anti-trust protections for private sector entities that choose to share information; and
- Privacy and civil liberties protections to safeguard personally identifiable data that may be shared with the government.

It's unclear whether or not the Senate will take up its own cyber legislation before the Memorial Day recess. Both Minority Leader Reid (D-NV) and Majority Leader McConnell (R-KY) have voiced strong support for Senate action on cybersecurity.

First Phase of the Quadrennial Energy Review Released

On April 21, Vice President Joe Biden and Secretary of Energy Ernie Moniz will release the first phase of the Quadrennial Energy Review (QER). The QER is a result of the President's Blueprint for a Secure Energy Future and his Climate Action Plan and is intended to study the opportunities and challenges that our energy infrastructure faces as a result of transformations in energy supply, markets, and use.

The QER Task Force is co-chaired by the White House Domestic Policy Council and Office of Science and Technology Policy, and includes representation from all relevant executive departments and agencies. DOE is playing a key role in the development of the QER by providing policy analysis and modeling, and coordinating stakeholder engagement. The Task Force held a series of meetings throughout 2014 to discuss and receive comments from all segments of the energy industry.

The 2014 phase of the QER focused on transmission, storage and distribution infrastructure (TS&D) while future topics will include generation and consumer issues.

Con Edison actively participated in the QER process, both testifying at a public meeting and offering suggestions for potential policy actions. Con Edison encouraged the QER organizers to focus on the following areas:

- Ensuring rate design reflects the value of the grid
- Increased focus on cyber security and technology interoperability
- Supporting utilities in the deployment of resilient infrastructure
- Consideration of the potential reliability and affordability impacts of climate change policy

You can download the QER online at www.energy.gov/qer.

2016 Appropriations Process Starts in U.S. House

This week, the U.S. House of Representatives kicked off the annual appropriations season by debating two of the 12 annual bills to fund the federal government.

The two spending bills on the House Floor were the Energy and Water Development Act and the Military Construction & Veterans Affairs Act. The White House issued veto threats against both bills and "any other legislation that implements the current Republican budget framework." The Statements on

Administration Policy (SAPs) specified that the Energy and Water bill underfunds critical investments in clean energy and climate change and the Military Construction & Veterans Affairs bill fails to fund building upgrades on military bases and expansions to medical facilities used by veterans.

Text of H.R. 2028, The Energy and Water Development and Related Agencies Appropriations Act, 2016 (as reported) is available [here](#).

Text of H.R. 2029, The Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2016 (as reported) is available [here](#).

State

First Round of NY Prize Awards Announced

Governor Cuomo announced funding for five microgrids as part of the first phase of the NY Prize Community Microgrid Competition (“NY Prize”). The awardees include the Buffalo Niagara Medical Campus; electrical utilities associated with the villages of Bath, Westfield and Sherburne; and the East Hampton area of Long Island. Each will receive \$100,000 to conduct a feasibility study.

Announced in Governor Cuomo’s 2014 State of the State address, NY Prize is a \$40 million competition intended to help communities create microgrids. NY Prize aims to connect multiple users through a network that relies on clean, reliable and affordable energy sources. The competition is administered by NYSERDA, with support from Governor Cuomo’s Office of Storm Recovery.

Eligible awardees include local governments, community organizations, non-profit entities, for-profit companies and municipally-owned utilities. Potential projects must be integrated into utility networks and serve multiple customers, including at least one "critical infrastructure" customer, such as a hospital, police station, fire station or water treatment facility. Utilities have also identified geographic areas - NY Prize Opportunity Zones - where microgrids may reduce utility system constraints, and defer expensive infrastructure investment costs.

Submissions for additional awards are being accepted through May 15. Applications for the second and third stage funding will be available this summer.

Additional information on the awards and the competition can be found [here](#).

Senate to Hold Hearings on Cyber Security, Cyber Terrorism

The State Senate’s committees on Codes, Consumer Protection and Veterans, Homeland Security and Military Affairs will hold a series of public hearings to review the state’s cyber security preparedness. The hearings will look at the state’s current cyber security infrastructure; cyber security in retail, financial, and other commercial sectors; technical solutions to cyber crime; and legal responses to cyber criminal activity.

The hearings are also expected to seek feedback on the data security legislation proposed by Attorney General Eric Schneiderman. The Attorney General bill would expand the definition of “private information” under the state’s current data breach law, and would encourage businesses to ensure that

they are properly protecting private information and provide them with incentives for cooperating with authorities in the event of a data breach.

The first hearing will be held on May 14th in New York City, and an additional hearing will be held in Albany on May 27th.

The hearing announcement can be found [here](#). A copy of the AG legislation can be found [here](#).

Legislature Seeks to Extend LNG Moratorium

Since 1978, the Legislature has imposed a moratorium on the storage of liquid natural gas (LNG) and petroleum in New York City. The moratorium was imposed after a 1973 explosion in an empty LNG tank on Staten Island, killing 40 people.

The Legislature has again passed legislation that would prohibit the licensing of LNG and petroleum facilities in New York City. The sponsors argue that the potential for a large-scale catastrophe inherent in the storage of LNG in densely populated areas requires agencies to exercise caution when evaluating proposals for such facilities.

The bill will now be delivered to the Governor who is expected to sign it into law.

A copy of the legislation can be found [here](#).

Governor, Legislature Recognize Earth Day

Governor Cuomo proclaimed April 19-25 as Earth Week in New York, and emphasized the state's commitment to protecting the state's natural resources, as well as promoting cleaner and healthier communities that are more resilient to the impacts of climate change.

The state's Department of Environmental Conservation (DEC) and Office of Parks, Recreation and Historic Preservation (OPRHP) held a number of events throughout the state as part of the Earth Week celebration. Events included hikes, wildlife observation, tree plantings and programs to educate the public on the importance of sustaining the environment.

On April 22nd, both houses of the Legislature approved s bills in honor of Earth Day.

The Senate passed legislation [S.1626](#), which permits commercial applicators of pesticides to apply pesticides in a dosage, concentration or frequency less than that specified on the labeling; [S.3064](#), which promoted Integrated Pest Management; and [S.2905](#), which would create a tax credit for the purchase and installation of geothermal energy systems. (Additional information on the Senate's Earth Day initiatives can be found [here](#).)

The Assembly's passed [A.6072, which](#) directs the Department of Environmental Conservation (DEC) to set greenhouse gas emission limits; [A.5615](#) prohibiting the sale of children's products that contain harmful chemicals; [A.5896](#) banning microbeads in personal cosmetic products; and [A.3063, whihc](#) establishes a permanent environmental justice advisory group and an interagency coordinating council. (Additional information regarding the Assembly's Earth Day initiatives can be found [here](#).)

City

NYC Council Votes to Ban Employers from Conducting Credit Checks

The New York City Council passed a bill last week (Int. 0261-2014) prohibiting employers from requesting or using the consumer credit history of an employee or job applicant when making employment decisions. More specifically, the bill would make it a discriminatory practice to request or use the consumer credit history of applicants or employees.

The bill defines “consumer credit history” broadly to include (a) consumer credit reports, (b) credit scores, or (c) information an employer obtains directly from the applicant or employee regarding “(1) details about credit accounts, including the individual’s number of credit accounts, late or missed payments, charged-off debts, items in collections, credit limit, prior credit inquiries, or (2) bankruptcies, judgments or liens.” The bill also defines the term “consumer credit report” to include “any written or other communication of any information by a consumer reporting agency that bears on a consumer’s creditworthiness, credit standing, credit capacity or credit history.”

Con Edison worked closely with the NYC Partnership to advocate for changes to various drafts of the bill, including the following amendments:

- Explicit language allowing companies to comply with Financial Industry Regulatory Authority (FINRA) rules, which was accepted.
- Expanding the definition of “fiduciary responsibility to an employer” to include: (A) A named signatory on the bank or credit card account of the employer. (B) Authorized to transfer money on behalf of the employer. (C) Authorized to enter into financial contracts on behalf of the employer. (D) Given regular access to cash totaling ten thousand dollars or more of the employer, a customer, or client. The council accepted some of this language, allowing: signatory authority over \$10K or more; authorized to transfer \$10K or more; can enter into contracts of \$10K or more.
- An exemption for positions that involve regular access to "personal or financial information" which is defined as “sensitive information that an employee, customer, client, or service recipient gives explicit authorization for another person to obtain, process, and keep; that an employer entrusts only to managers and a select few employees; or that is stored in secure repositories, including but not limited to computer systems and databases, that are not intended to be accessible to the public or low-level employees.” They did not accept this broad language, but added a more narrow exemption targeted to cyber-security threats only.
- An exemption for positions with "executive and management responsibilities." They did not adopt this language.

Certain types of positions are exempted from the consumer credit history ban. For example, the ban will not apply to positions in law enforcement; positions requiring bonding under federal, state or local law or requiring a security clearance; positions requiring employers to consider credit history under federal or state law; positions allowing an employee to modify digital security systems designed to prevent unauthorized use of the employer’s or client’s networks or databases; and non-clerical positions with regular access to trade secrets, intelligence information or national security information.

Furthermore, the Bill will not apply to positions where the individual has signatory authority over third party funds or assets valued at \$10,000 or more, or authority to enter financial agreements valued at \$10,000 or more on behalf of the employer.

It is widely expected that Mayor Bill de Blasio will sign the bill into law. If signed into law, New York City will join a growing number of jurisdictions that have enacted credit check bans, including California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Nevada, Oregon, Vermont, Washington, and Chicago. However, the bill is also considered one of the more progressive bans to date since it does not include a broad exemption for all positions handling money.

If signed by the Mayor, the law will take effect 120 days after enactment.